

AMENDMENT TO THE SPECIFICATION

Please replace the paragraph that begins on line 16, page 3 with the following amended paragraph:

Referring now to Fig. 2, the transfer case 16 includes input 40, a first output 18, and a second output 20. The input 40 is driveably connected to the output of a transmission 14, which is driven by an engine or motor (not shown). The first transfer case output 18 is driveably connected to ~~rear drive shaft~~ output 18 and is aligned coaxially with input 40. The second output 20 is driveably connected to the front drive shaft and extends from the transfer case 16 forward to the front drive axles of the vehicle.

Please replace the paragraph that begins on line 6, page 5 with the following amended paragraph:

Disengaging coupler 54 produces a 4X2 mode, low-speed range. This action causes pinion 46 to underdrive gear 48', and pinion 50' to underdrive gear 52. Therefore, the output 18 is underdriven in relation to the speed of input 40.

Please replace the paragraph that begins on line 21, page 5 with the following amended paragraph:

Fig. 6 shows the kinematic arrangement of Fig. 2 as an assembly in cross section. Clutch 60, formed integrally with gear 48, includes a spline surface 80 having axially directed spline teeth formed on the radially inner surface of gear wheel 48, which carries gear teeth 82 on its radially outer surface. Pinion 50, which is supported by a bearing 84 on lay shaft 42, includes a radially outer surface formed with axially directed spline teeth ~~86~~ 85. Spacer plates 86 having external teeth on its radially exterior surface, engage the spline teeth 80 formed on gear wheel 48. Interleaved alternately with the spacer plates 86 are friction discs 88, which engage the axially directed spline teeth 85 formed on the outer surface of pinion 50. Located at an axial end of the pack of spacer plates and friction discs is a blocker ring 90, secured to gear 48 against displacement by a snap ring 92.